

February 19, 2013



The Honorable Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, DC 20024

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ENTERED  
Office of Proceedings

FEB 22 2013

Part of  
Public Record

Re. STB Docket AB-1076X, Caddo Valley Railroad  
Company-Abandonment Exemption-In Clark, Pike and  
Montgomery Counties, Arkansas

STB Docket AB-1076 (Sub-No.1X), Caddo Valley  
Railroad Company-Abandonment Exemption-In Pike and  
Clark Counties, Arkansas

Dear Ms. Brown,

On February 18, West Central Arkansas Planning and Development District ("WCPDD") was allowed to reply to my opposition and comments and I wish to respond to Mr. Sippel's (attorney for WCPDD) comments

1. I concede that West Central Arkansas Planning and Development District ("WCPDD") receives a huge amount of both State and Federal money, therefore filing fees *and* legal fees are not a problem for them.
2. I apologize if I misread the "Audited Financial Statements" and/or Accountant's Report and Financial Statements" (public information) and interpreted the "Contracts to Administer Grants" and other "Agreements"

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as a billable service, my mistake. (These reports are too long to include in their entirety, I have enclosed page 10 of the "Notes to Financial Statements-June 30, 2009" along with the cover pages identifying the CPA firm and pages 4 and 5 and 11 labeled as Exhibit 1 The entire report can be found at [legaudit.state.ar.us](http://legaudit.state.ar.us))

3. I concede that the WCAPDD is governed by the local elected officials. I believe that was shown by the newspaper article I included with my first filing (ref # 233786 entered into record on STB dated February 12, 2013).
4. I agree that the Board's role is ministerial as I understand the meaning "TheOnlineDictionary" describes ministerial "as not involving discretion or policy making". That is why I asked for disallowance of the NITU. According to the STB's instructions for filing NITU, as shown in the "Overview, Abandonment and Alternatives to Abandonment" the NITU must be filed timely. The Board (STB) stated the filing deadline was December 6, 2011. The law doesn't offer leniency for misunderstanding or lack of knowledge
5. If the Board will reference back to my original filing (ref #233786 entered into record on STB dated February 12, 2013), I opposed the "Late Filing" of the NITU I also stated that CVRR could not sell the land as it did not own it. I never mentioned the "Trails Act" I am familiar with many cases concerning the "Rails to Trails" issues and the 5th Amendment however, I wish only to retain my land
- 6 Agriculture accounts for 256,244 jobs or 1 out of every 6 jobs in Arkansas according to the University of Arkansas Division of Agriculture. Arkansas's agriculture accounts for 10.81% of the Gross Domestic Product (GDP) Arkansas which is ahead of Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas The national average is 5.56%. The timber industry is the largest single employer in South Arkansas I have spoken to the Hancock Management Group located in Hope, Arkansas who manages Weyerhaeuser timber lands, and a representative of Potlatch Timberlands in the area, both expressed their concerns as the ROW passes thru some of their lands There has been some very costly damage due to wildfires in Clark County

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6. The land underlying the former ROW would not lie idle. It would be used to grow cattle, grow hay, or grow timber. I mentioned the drought that has occurred the past two years. An article by Dr. Tom Troxel of the University of Arkansas stated last week as printed in the "Glenwood Herald", the US inventory of all cattle and calves including dairy was the lowest level since 1952. He went on to say that the 2012 calf crop was the smallest since 1949. I would think that preserving and promoting farm and timber land would be a great economic value.
7. I identified myself as a landowner along the line in item 4 under Issue 2 of my filing entered into record on February 19, 2013 on STB. (ref #233786). I surmised it would be assumed that someone wishing to exercise "reversionary rights" would naturally be a landowner. I had no intentions of confusing anyone. I plainly stated that I was a farmer and small business owner.

I hereby certify that a copy of this letter has been served upon CVRR by first class metered mail this 20<sup>th</sup> day of February, 2013. (Letter was finished too late to meter on the 19<sup>th</sup>)

Respectfully submitted,



Betty Pennington

PO Box 1348

Glenwood, AR 71943

870-356-5349

**The Honorable Cynthia T Brown**

**February 19, 2013**

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**Enclosures**

**Cc:**

**Mr. Tim Bean, President**

**James Smith, Esq**

**William C. Sippel, Esq**

**Richard H. Streeter, Esq**

**West Central Arkansas Planning and Development District Inc.**

GARY D. WELCH, CPA, Principal  
JIMMY M. PATE, CPA, Principal  
DENNIS C. FASON, CPA, Principal  
JOE L. WOOSLEY, CPA  
GLENN W. CRONE, JR., CPA



Jordan · Woosley · Crone · Keaton · Ltd.

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors Report**

Exhibit 1  
Page 1

HARRY C. KEATON, CPA  
(1920-2008)

CLARENCE W. JORDAN, CPA  
(1930-2009)

Board of Directors  
West Central Arkansas Planning and Development District, Inc.

We have audited the accompanying statement of financial position of West Central Arkansas Planning and Development District, Inc. (District), a nonprofit organization, as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Central Arkansas Planning and Development District, Inc. as of June 30, 2009, the changes in its net assets and its cash flows for the year then ended in conformity with United States generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2009, on our consideration of West Central Arkansas Planning and Development District, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget

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MEMBERS  
AMERICAN INSTITUTE  
OF CERTIFIED  
PUBLIC ACCOUNTANTS

Hot Springs Village Office  
710 DeSoto Boulevard  
Hot Springs Village, Arkansas 71909  
(501) 922-1354

Exhibit 1  
Page 2

Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Jordan Wosley, Cione & Keaton Ltd.*

Certified Public Accountants

December 9, 2009

West Central Arkansas Planning and Development District, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2009

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash	\$ 598,463	\$ 131,233	\$ 729,696
Investments	108,727		108,727
Receivables:			
Contracts	45,850		45,850
Grants	113,501		113,501
Member counties	12,901		12,901
Title IX revolving loans		117,699	117,699
Other	3,261		3,261
Prepaid expenses	4,049		4,049
<b>Total Current Assets</b>	<b>\$ 886,752</b>	<b>\$ 248,932</b>	<b>\$ 1,135,684</b>
<b><u>Fixed Assets</u></b>			
Office furniture and equipment	\$ 335,989		\$ 335,989
Less accumulated depreciation	277,176		277,176
<b>Net Fixed Assets</b>	<b>\$ 58,813</b>		<b>\$ 58,813</b>
<b><u>Other Assets (See Note 4 )</u></b>	<b>\$ 263,423</b>		<b>\$ 263,423</b>
<b><u>Total Assets</u></b>	<b>\$ 1,208,988</b>	<b>\$ 248,932</b>	<b>\$ 1,457,920</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts payable	\$ 16,108	\$ 105	\$ 16,213
Loan payable (See Note 4 )	266,684		266,684
Accrued expenses	41,680		41,680
Deferred income - grants	28,434		28,434
Deferred income - member counties	31,556		31,556
<b>Total Current Liabilities</b>	<b>\$ 384,462</b>	<b>\$ 105</b>	<b>\$ 384,567</b>
<b><u>Net Assets</u></b>	<b>824,526</b>	<b>248,827</b>	<b>1,073,353</b>
<b><u>Total Liabilities and Net Assets</u></b>	<b>\$ 1,208,988</b>	<b>\$ 248,932</b>	<b>\$ 1,457,920</b>

See independent auditors report and notes to financial statements.

Exhibit 1  
page 4

**West Central Arkansas Planning and Development District, Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2009**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b><u>Support and Revenue</u></b>			
Support:			
Federal funding	\$ 2,087,740		\$ 2,087,740
State funding – Act 118	45,000		45,000
State funding – General Improvement Grant	75,469		75,469
Local match	72,439		72,439
Total Support	<u>\$ 2,280,648</u>		<u>\$ 2,280,648</u>
Revenue:			
Contract payments			
AIDC	\$ 84,474		\$ 84,474
Southwest Central	64,944		64,944
Certified Development Co fees	174,093		174,093
County assessments	60,882		60,882
Interest income - bank	12,034	\$ 2,311	14,345
Interest income - RLF		7,683	7,683
Miscellaneous	7,993	2,944	10,937
Total Revenue	<u>\$ 404,420</u>	<u>\$ 12,938</u>	<u>\$ 417,358</u>
Total Support and Revenue	<u>\$ 2,685,068</u>	<u>\$ 12,938</u>	<u>\$ 2,698,006</u>
<b><u>Expenses</u></b>			
Program Services - administrative grants:			
ACEDP contracts	\$ 139,315		\$ 139,315
Certified Development Co.	111,067		111,067
Economic Development	144,915		144,915
Southwest Central Administrative Grant	64,944		64,944
State and local programs	140,780		140,780
Title IX Revolving Loan		\$ 5,960	5,960
WIA, Career Center Grants	1,800,040		1,800,040
Total Program Services	<u>\$ 2,401,061</u>	<u>\$ 5,960</u>	<u>\$ 2,407,021</u>
Support Services - general and administrative	215,242		215,242
Total Expenses	<u>\$ 2,616,303</u>	<u>\$ 5,960</u>	<u>\$ 2,622,263</u>
<b><u>Changes in Net Assets</u></b>	<u>\$ 68,765</u>	<u>\$ 6,978</u>	<u>\$ 75,743</u>
<b><u>Net Assets - July 1, 2008</u></b>	<u>738,815</u>	<u>241,849</u>	<u>980,664</u>
<b><u>Net Increase</u></b>			
Net capital additions/deletions over depreciation	<u>16,946</u>		<u>16,946</u>
<b><u>Net Assets - June 30, 2009</u></b>	<u>\$ 824,526</u>	<u>\$ 248,827</u>	<u>\$ 1,073,353</u>

See independent auditors report and notes to financial statements.



West Central Arkansas Planning and Development District, Inc.

NOTES TO FINANCIAL STATEMENTS

(continued)

June 30, 2009

Exhibit 1  
Page 5

**NOTE 7: Administrative Contracts** - The District has entered into agreements and contracts with the Arkansas Community and Economic Development Program to administer various grants. The following, major (over \$10,000) contracts were in effect at June 30, 2009:

<u>Date</u>	<u>Owner</u>	<u>Total Contract</u>	<u>Project Description</u>
2006	City of Arkadelphia - Siplast	\$ 11,200	Infrastructure improvements
2008	City of Atkins	15,160	Multi-purpose
2009	Atkins School	23,000	Safe room
2009	Centerville Elementary	18,000	Safe room
2008	Clark County - Alumcraft	14,460	Parking
2007	Clark County - H & P	18,820	Construction projects
2008	Clark County - HITCO	10,600	Loan to industry
2008	City of Clarksville	25,420	Multi-purpose
2009	City of Clarksville - BHSP	10,000	Water improvements
2009	City of Clarksville - MSR	11,460	Water
2009	Conway County EDA	40,000	Public works
2009	Crawford Elementary	15,000	Safe room
2006	City of Dardanelle	17,420	Senior citizen center
2009	Dwight Elementary	15,000	Safe room
2007	City of Glenwood	20,000	Park
2008	Hot Spring County	31,240	Water project
2007	Johnson County - Ozone	84,730	Water improvements
2009	City of Knoxville - NULYNE	22,175	Wastewater project
2007	City of London	91,460	Sewer improvements
2009	London Elementary	10,000	Safe room
2006	City of Malvern	17,420	Senior Citizen Center
2008	City of Malvern	14,000	EDI grant programs
2009	Town of Midway	20,360	Child care
2007	Montgomery County CGR	16,860	Construction projects
2009	Oakland Heights	18,000	Safe room
2009	Sequoyah Elementary	18,000	Safe room
2009	UALR	20,360	Disaster relief plan
2009	Wonderview School District	30,000	Safe room

**NOTE 8: Workforce-Investment-Act Programs** - During the year ended June 30, 2000, new programs were started that replaced the old JTPA programs. The District entered into a new agreement to serve as grant recipient and administrative entity for the new Workforce-Investment-Act programs (WIA). These programs are under the Federal Agency of Employment and Training Administration, U. S. Department of Labor. These funds can be used for workforce investment activities that increase the employment, retention and earnings of participants and increase occupational skill attainment by the participants. These programs are designed to increase employment and are for low-income adults, youths between 14 and 21 and dislocated workers.

See independent auditors report

**West Central Arkansas Planning and Development District, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
(continued)  
June 30, 2009

*Exhibit 1*  
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On January 1, 2001, an agreement was entered into with West Central Arkansas Career Development Center Systems, Inc. to provide the One-Stop Career Centers. They will provide core services that include outreach, job search and placement assistance, labor market information and intensive services, which include more comprehensive assessments, development of individual employment plans, counseling and career planning and training services linked to job opportunities in communities, including occupational training and training in basic skills. It also provides supportive services such as transportation and childcare assistance. For the year ended June 30, 2009, the Career Center received \$1,309,169 for the above services.

Total expenditures for the WIA programs for the year ended June 30, 2009, were \$2,015,282, as shown at Schedule 7.

**NOTE 9: Retirement Plan** - In 1991, the District instituted a retirement plan for its employees. Under the plan, the District pays up to 8% of an employee's compensation into the plan. The employees must contribute a minimum of 2% of compensation to the plan. The following is a summary of the plan for the year ended June 30, 2009:

District Contributions	\$ 33,887
Employee Contributions	<u>26,707</u>
Total	<u>\$ 60,594</u>

**NOTE 10: Lease Obligation** - In 2005, subject to the District receiving adequate federal, State and local funding, the District entered into a five-year lease agreement with Regions Bank of Hot Springs for July 1, 2004 through June 30, 2009. The lease was extended to October 31, 2009, at which time the District moved to a new location (See Note 4.). The leased facility is for administrative functions under a grant program. The following is a summary of the lease obligation:

<u>Location/Lessor</u>	<u>Street Location</u>	<u>Square Feet</u>	<u>Cost per Month</u>	<u>2009 Cost</u>
Regions Bank of Hot Springs Hot Springs, Arkansas 71901	835 Central Avenue	3,935	\$3,919	\$ 47,023

The remaining lease obligation for the four months ending October 31, 2009, is \$15,674.

**NOTE 11: Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities** - At Exhibit C, the District discloses cash flows from operating activities using the direct method. The following is a reconciliation of changes in net assets, as reflected at Exhibit B, to net cash provided by operating activities:

See independent auditors report.